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MINING

since 1997, giving the company a good understanding of the vein character.

Hecla has been operating the Lucky Friday mine for 45 years. During its life, the mine has produced over 127 million ounces of silver to date.

The Lucky Friday mine currently employs 94 people. When the new development drift is completed and full production is reached, the mine will increase employment by up to 50 percent.

The Lucky Friday union, United Steelworkers Local 5114, recently approved a five-and-a-half-year labor contract.

For more information, visit the website at www.hecla-mining.com.

*Deal inked to move used SX-EW facility to Utah

Constellation Copper Corp. said Nov. 26 that its wholly owned Lisbon Valley Mining Co. LLC inked a deal to acquire the Tonopah crushing and SX-EW processing facility for use at the Lisbon Valley copper project.

A \$1 million down-payment on the facilities has been deposited in escrow. Closing of the transaction is scheduled as soon as possible and within 30 days upon completion of certain conditions.

Constellation also said that Winters, Dorsey & Co. has completed the technical update to the Lisbon Valley feasibility study, incorporating the Tonopah processing facilities and a revised mine plan and production schedule to accommodate the higher throughput that can be achieved with this plant.

The results of the study are very positive, Constellation said, with the project demonstrating \$0.45 a pound life-of-mine cash costs, \$0.47 life-of-mine total cash operating costs (including property taxes and royalties) and total costs of \$0.69, including all initial and ongoing capital.

Total initial capital costs to bring the project into production are \$49 million, including reclamation bonding and working capital to achieve positive operating cash flow, the company said.

Considerable potential exists to expand the reserves and extend the life of the mine by converting adjacent and satellite resources to reserves with additional drilling and engineering, Constellation added.

The company said it would be working to secure funds to complete the asset purchase, dismantle and relocate the facilities

World

Following approval of its foreign investment agreement by the government of Ghana, Newmont Mining Corp. is proceeding with development of the Ahafo project there, it said Dec. 19. The costs of development are estimated at \$350 M, with Au production expected to commence in the 2H06. Newmont said it expects Ahafo to be the 1st of at least 2 Ghanaian operations that together will form the company's next core operating district. "We have worked hard to build a positive and mutually beneficial relationship with the government and people of Ghana, and we are excited to begin development activities at Ahafo," said Newmont chairman and CEO Wayne W. Murdy in announcing Ahafo from the capital city of Accra. "Based on the recently updated feasibility study, the Ahafo project will generate steady-state annual Au sales of approximately 500,000 equity oz, with higher production in the initial years." The foreign investment agreement was signed with the Republic of Ghana on Dec. 17 and was ratified unanimously by the Ghanaian Parliament the next day. The agreement establishes fixed royalty and tax rates for the lives of Newmont's projects and reflects commitments on the part of Newmont with respect to job training for local citizens, community development and environmental protection. www.newmont.com

The French government has offered to help in building a Ni mine in New Caledonia, a South Pacific island controlled by France, Falconbridge Ltd. reported Dec. 18. The amount of help offered is about \$630 M, the company said. It and its partner are analyzing the offer to help in building the Koniambo project. Inco Ltd., which is planning to develop the Goro Ni mine on the same island, also said it has received an updated offer of financial support from France. In 2002, it reached an agreement for \$350 M of low-cost financing.

A JV has been selected for engineering of the 2nd phase of Inco Ltd.'s Goro Ni/Co project in New Caledonia. Inco said Dec. 2. Foster Wheeler and SNC-Lavalin organizations will be equal partners in the C.E.G. Joint Venture, which will get a \$39.5 M contract for engineering, planning and related services. The 2nd phase involves a process to further develop opportunities for capital-cost reduction identified in the 1st phase of the review, as well as establishing a project cost control estimate, an updated schedule and an optimized and clearly defined scope and execution plan for the project. www.inco.com

Kinross Gold Corp. is finalizing its exit from its TVX Hellas unit in Greece, which it inherited in a 3-way merger last January, it said Dec. 15. The Pb/Zn mine ran into all kinds of problems with the government and agitators, including a hunger strike by workers when the unit filed for bankruptcy in early 2003. www.kinross.com

Ok Tedi Mining Ltd. has reached a settlement with plaintiffs in class-action proceedings commenced in April 2000 against OTML and BHP Billiton Ltd. in the State of Victoria, Australia, Inmet Mining Corp. said Dec. 19. The proceedings alleged a breach of a 1996 settlement agreement relating to earlier claims for damages arising from environmental impacts of the Ok Tedi mine. Under the settlement, the plaintiffs agree that OTML is in compliance with the terms of the 1996 settlement.

The Indonesian government has asked the House of Representatives to allow 13 mines to resume operation in the protected forest area, a senior minister told Xinhua New Service Dec. 16. Indonesian Coordinating Minister for Economics Dorodjatun Kuntjoro Jakti said he was wary that the protracted dispute in the mining industries could hamper foreign investment coming into Indonesia. Mining impacts only 2% of the protected forest area.

Erdenet Mining Corp. is considering building a new plant to produce 25,000 mtpy of Cu cathode, Reuters reported Dec. 16. Erdenet is a state-controlled Cu mining joint venture between Mongolia and Russia. It is Mongolia's only Cu producer, and wants to increase capacity at its mine next year to make up for falling ore grades. The venture considered and rejected a plan to build a smelter. Erdenet was expected to make 125,250 mt of Cu in concentrate in 2003, down from 131,705 mt in 2003 and 133,503 mt in 2001. More than 90% of the concentrate goes to China.

Western Briefs

Golden Phoenix Minerals Inc. said the 1st drilling program at its Mineral Ridge gold mine in Esmeralda County, Nevada, was to begin Jan. 7. More than 50 RC holes will be drilled at three locations: in the Brodie pit, the Oro-Monte area and the area known as East Mary. Holes also will be drilled in peripheral areas that have potential for discovering new gold mineralization. "This is the first drilling program of many at Mineral Ridge," said Michael Fitzsimonds, president and CEO. Mineral Ridge currently has a proven/probable ore reserve of 2.66 Mt averaging 0.079 opt Au for a total of 209,000 oz. www.golden-phoenix.com

Rio Fortuna Exploration Corp. has hit bonanza-grade Au/Ag ore in drilling at its Highland property in Nevada's Walker Lane belt, it said Dec. 19. Six RC holes were drilled along the A zone at the main target area, where a hole drilled in 2002 hit 3.0 m of 20.3 gpt Au within a 13.7-m interval of 5.4 gpt. In recent drilling 30 m down plunge from that hole, drilling encountered 1.5 m of 66.9 gpt Au and 397.7 gpt Ag within 12.2 m of 9.5 gpt Au and 109.4 gpt Ag. Current drilling has only tested the primary vein zone within 182 m of the surface and along only 244 m of the A zone's known 1,200-m strike. The B zone and other targets remain untested. The next phase of work at Highland is being formulated, the company said. www.riofortuna.com

Midway Gold Corp. intersected 70 feet grading 12 gpt Au and 20 feet at 22.6 gpt during drilling at its Spring Valley, Nev. project, it said Dec. 1. Included in the 2nd RC hole was 5 feet at 73.493 gpt. Within the 70-foot segment was 25 feet grading 29.777 gpt. Results from the recently completed 11 drill holes, combined with previous drill results, indicate that Au mineralization at Spring Valley extends over an area of 1,300 by 1,000 feet, Midway said. Within this area, drilling has intersected several zones of high-grade Au mineralization. www.midwaygold.com

The FEIS for Glamis Marigold Mining Co.'s Millennium expansion project in Humboldt County, Nev. is available, the BLM said Dec. 5. It analyzes the impacts related to expansion of existing mine facilities (pits, overburden dumps and heap-leach pads) and development of the Millennium projects. Development includes construction of 5 new pits, overburden disposal areas, 2 more heap-leach facilities, drainage diversions, haul and exploration roads and ancillary facilities. BLM prefers an alternative that includes increasing backfilling along the west high wall of the Red Rock Pit.

Revett Silver Co. wants to reopen the Troy Cu/Ag mine in northwestern Montana in the next 6 months because of higher Cu prices, the Associated Press reported Dec. 11. Frank Duval, chairman and CEO of Revett (formerly Sterling Mining Co.), said he has investors willing to provide \$17 M to \$19 M needed to restart the mine and replace aging equipment. But in a meeting with Gov. Judy Martz, he said Revett needs help from the state in completing the new reclamation plan and recalculating the necessary reclamation bond. Asarco Inc., from which Duval's company purchased the majority interest in the mine in 1999, has a \$10.5 million bond in place. Duval said his company can afford to pay nothing more. The mine, 10 miles south of Troy near the Idaho border, began operating in 1981 before closing because of low prices in 1993. The closure cost the area 320 jobs. Asarco sold its majority interest in the Troy mine and the nearby Rock Creek mine to Sterling for \$20 million. www.revettsilver.com

Queenstake Resources Ltd.'s continuing exploration program at Jerritt Canyon, Nevada, continues to hit intercepts of "significant grade" near current underground mine workings but outside the mid-2003 resources envelope near 3 of the 4 operating mines, it said Dec. 16. At the Murray mine, drilling hit 60 feet grading 0.736 opt Au and another 95 feet at 0.551 opt. At the Smith mine, 4 of 10 holes hit significant grade, including 70 feet at 0.582 opt. At the SSX, 2 of 10 hit good grade, including 50 feet at 0.846 opt. www.queenstake.com

Newmont USA Ltd. has signed a JV agreement for exploration and development of the Northumberland project with Nevada Western Gold Corp., parent NewWest Resources Group said Dec. 24. Newmont may earn a 60% interest by the expenditure of \$25 M over 7 years. It is in Smoky Valley north of Round Mountain.

to the Lisbon Valley property and commence detailed engineering on foundations and earthworks for the re-installation of the facilities at Lisbon Valley.

The Lisbon Valley project will employ more than 140 people, with an average annual payroll of \$9.1 million, will consume \$16.6 million in goods and services annually and pay \$2.4 million in sales, property and severance taxes and royalties annually, in addition to federal and state income taxes. It will be the largest single non-government employer in San Juan County, Utah.

Constellation is preparing an application for a new air quality permit and a permit to construct, to be submitted to the State of Utah, to replace the permits that expired in 2002.

These permits are the only outstanding permits required to commence construction of Lisbon Valley upon posting of the appropriate bond with the state to cover the first three years of anticipated disturbances on the property.

Separately, the company has commissioned Jacobs Engineering Group to investigate the feasibility of constructing a dedicated acid plant in the southeast Utah area which would convert by-product and waste sulfur generated by natural gas production in the Rocky Mountain region to sulfuric acid for consumption at the Lisbon Valley project.

A similar study completed by Jacobs for the company's Terrazas project in Chihuahua, Mexico indicates the potential to improve the economics of the Lisbon Valley project by another \$1 million to \$2 million annually, while creating another 6-10 jobs in the southeast Utah area, with associated tax and secondary industry benefits to the local community.

Copperstone drilling hits more high grade

American Bonanza Gold Mining Corp. said Dec. 3 it was continuing to drill high-grade gold at its Copperstone property in Arizona.

Recent underground core holes complete the southern fan of drill holes at the D-Zone. The most significant intercept of previously announced drill holes was a 40-foot zone grading 1.2 opt gold, including an interval 18 feet long grading 2.3 opt.

The current two drill holes were drilled below previous holes. Drill hole No. 4 en-